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### **Who Can Be The Trustee?**

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A financial institution (some exceptions exist) within the state whose deposits are insured by the FDIC.

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### **Who Issues Licenses and Regulates The Pre-Need Trusts?**

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The regulation of the pre-need trusts, including the issuing of pre-need seller and agent licenses, is handled by the Nebraska Department of Insurance.

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### **How Does The Nebraska Department of Insurance Regulate Pre-Need Sellers?**

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Pre-need sellers are subject to departmental examination and required to file an annual pre-need sales report with the department as outlined in Neb.Rev.Stat. §§12-1101 through 12-1121.

In addition, the department is constantly reviewing its licensing records to ensure that all sellers and agents have current and active licenses.

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### **Can the General Public Contact The Nebraska Department of Insurance Regarding A Pre-Need Seller's or Agent's License?**

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Yes. In fact the department recommends that the individual ask to see a seller's license or check with the department regarding a pre-need seller's license before entering a pre-need sale.

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### **Does the Nebraska Department of Insurance Handle Consumer Complaints Against Pre-Need Sellers**

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Yes. The department handles all pre-need related areas, including consumer complaints.

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### **How Does An Individual File A Complaint With The Nebraska Department of Insurance?**

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A pre-need complaint form must be completed and submitted to the department, along with any supporting documentation. Forms may be obtained by contacting the department at the address and phone number listed below.

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### **How Can An Individual Obtain Additional Information About Pre-Need Trusts?**

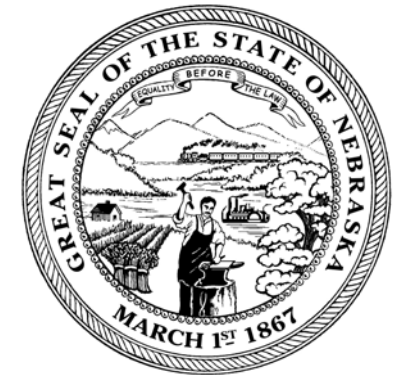
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Additional information regarding pre-need trusts can be obtained by contacting the Nebraska Department of Insurance at the address or phone number listed below.

**Nebraska Department of Insurance  
Terminal Building  
941 "O" Street, Suite 400  
Lincoln, Nebraska 68508  
402-471-2201  
TDD: 800-833-7352  
VOICE: 800-833-0920  
[www.doi.ne.gov](http://www.doi.ne.gov)**

# **Nebraska Funeral & Burial Funding**

## **Questions and Answers Concerning Funding Through Pre-Need Trusts**



**State of Nebraska  
Department of Insurance**

The Nebraska Department of Insurance is the administrative body responsible for regulation pursuant to statutory authority. Within this framework, Department personnel assist and inform to protect consumer interests.

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### What Is Pre-Need?

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Pre-need is the purchasing of burial or funeral merchandise (casket, vault, monument, etc.) or services by a member of the general public prior to the time of death.

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### How Is The Sale of Pre-Need Services and/or Merchandise Financed?

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The purchase of pre-need services and/or merchandise may be financed one of three ways:

- a. Life Insurance
- b. Annuity Contract
- c. Pre-Need Trust

(The focus of this brochure is pre-need trusts.)

## Questions and Answers Concerning Funding Through Pre-Need Trusts

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### What Is A Pre-Need Trust?

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When a pre-need sale is made, funds from the sale are deposited in a federally insured bank within the State of Nebraska until the time of death. These funds may be placed in either an individual trust account or a master trust account (a pool of many individual trusts).

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### What Are The Requirements For A Pre-Need Trust?

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Upon making a pre-need sale, the pre-need seller is required to complete a written agreement and maintain a separate record of each pre-need trust established.

Pre-need trust funds, equaling at least 85% of the retail sales price, are required to be deposited in a federally insured Nebraska bank within 60 days after receipt.

The remaining amount, up to a maximum of 15% of the retail sales price, may be retained by the seller.

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### Is There More Than One Type Of Pre-Need Trust?

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Yes. There are two types of pre-need trusts: irrevocable and revocable.

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### What Is The Difference Between The Two Types Of Pre-Need Trusts?

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Funds placed in an irrevocable pre-need trust may not be withdrawn until the time of death. Funds placed in a revocable pre-need trust may be withdrawn at anytime.

The irrevocable pre-need trust is primarily used to finance services and has a maximum amount of \$3,000. The revocable pre-need trust is used primarily to finance merchandise and has no maximum amount.

The establishments which sell pre-need

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### Who Sells Pre-Need?

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are funeral homes, cemeteries, and monument companies. In order for these establishments to engage in the sale of pre-need, they must first obtain a pre-need seller's license.

In addition, individuals, engaging in the sale of pre-need, must be licensed as agents for their designated seller.